



**STATEMENT OF PROCEEDINGS
FOR THE REGULAR MEETING OF THE
LOS ANGELES COUNTY AUDIT COMMITTEE
KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET, ROOM 525
LOS ANGELES, CALIFORNIA 90012**

Thursday, September 17, 2015

10:30 AM

AUDIO LINK FOR THE ENTIRE MEETING. (15-4473)

Attachments: [AUDIO](#)

Present: Vice Chair James Blunt, Dorinne Jordan, Kieu-Anh King and
 Allen Gomez

Absent: Lori Glasgow and Carl Gallucci

I. ADMINISTRATIVE MATTERS

1. Call to order. (15-4259)

The meeting was called to order by Vice Chair James Blunt at 10:42 a.m.

2. Approval of August 20, 2015 meeting minutes. (15-4261)

On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was approved.

Attachments: [SUPPORTING DOCUMENT](#)

II. BOARD POLICY

3. Recommendation to approve minor revisions to Board Policy 5.090 - Consultant Independence, and to extend sunset review date to November 17, 2019 (9/1/15). (15-4183)

On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was approved.

Attachments: [SUPPORTING DOCUMENT](#)

III. OLD BUSINESS

4. Recommendation to review substantive changes to Board Policy No. 3.095 - City Annexations and Spheres of Influence Amendments, extend the sunset review date to October 4, 2019 and direct the Department to submit the policy to the Board of Supervisors for final approval (8/5/15)(Continued from the meeting of 8/20/15). (15-3856)

On motion of Kieu-Anh King, seconded by Dorinne Jordan, this item was approved.

Attachments: [SUPPORTING DOCUMENT](#)

5. Recommendation to review substantive changes to Board Policy No. 5.030 - Low-Cost Labor Resource Program, extend sunset review date to October 3, 2019, and direct the Department to submit the policy to the Board of Supervisors for final approval (8/3/15)(Continued from the meeting of 8/20/15). (15-3746)

On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was continued to the next meeting.

Attachments: [SUPPORTING DOCUMENT](#)

6. Recommendation to approve minor revisions to Board Policy No. 7.040 - Requirements for Departmental Legislative Analysis and extend the sunset review date August 21, 2020 (5/21/15)(Continued from the meetings of 6/18/15, 7/16/15 and 8/20/15). (15-2522)

Manuel Rivas, Chief Executive Office (CEO), clarified that their office is requesting an extension to the policy. The policy requires that all County Departments follow a uniform guideline when taking any advocacy position on legislation at the State level. Mr. Rivas provided a breakdown of processes and agencies on Legislative Advocacy Oversight. The Board of Supervisor tasked CEO with responsibility for all legislative advocacy oversight. All County departments and County Commissions that want to weigh in advocacy at the State or Federal level must go through CEO before it can be recommended to the Board. Elected Officials such as Assessor, District Attorney, and Sheriff have their own legislative program and are not accountable to the Board. However, Elected Officials can weigh-in on preference in Sacramento or Washington D.C.

Mr. Rivas stated that County Related Agencies are not direct reports to the Board and that Policy No. 7.040 does not apply to these agencies. CEO coordinates with these agencies as much as possible when a

common interest is established so that they will have a uniform message in Sacramento. Mr. Rivas confirmed that the County Related Agencies' governing bodies make their own recommendations and decisions and have their separate lobbyist and legislative program. When a Board member becomes part of a governing body within an agency, they can influence the decision in response to oversight.

Kieu-Anh King, Third District, asked for the general lobby expense per year. Mr. Rivas provided Mr. King with an estimated figure of 1.3 or 1.4 million.

On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was approved.

Attachments: [SUPPORTING DOCUMENT](#)

7. Recommendation to review changes to Board Policy No. 9.100 - Volunteer Program Policy and extend the sunset review date to October 2, 2020 (8/12/15)(Continued from the meeting of 8/20/15). (15-3899)

Dorinne Jordan, Second District, questioned what initiated the significant changes in the policy and if this item was briefed at clusters. Loreto Maldonado, CEO, confirmed it was not discussed at cluster and explained that there were changes to the Department of Human Resources (DHR) Live Scan Process and they wanted to ensure to include it in the policy. Additionally, CEO met with Risk Management, DHR, and other departments with new encounters such as the Department of Military and Veterans Affairs (DMVA) and explained that there was a new group of employed that asked whether they would be considered as employees or volunteers.

Ms. Maldonado explained that the available grant to bring on board various former military personnel is made payable from the Federal Government and not the County; therefore, it was determined that this group would be considered as volunteers and not County employees. Ms. Maldonado added that based on the changes, their manual needed to be updated extensively and was reviewed by the County Counsel.

On motion of Dorinne Jordan, seconded by Allen Gomez, this item was continued to the next meeting.

Attachments: [SUPPORTING DOCUMENT](#)

8. Department of Public Social Services - Electronic Benefit Transfer Cards Review (4/30/15)(Continued from the meetings of 5/21/15, 6/18/15, 7/16/15 and 8/20/15). (15-2084)

Francisco Sanchez, Department of Public and Social Services (DPSS), reported that out of the 29 audit recommendations, 28 are completed. The last recommendation pending to incorporate reporting automated system is targeted to be completed by September 29, 2015. Mr. Sanchez provided clarification on case name change stating that DPSS do have procedures and policy to change the case name in the event the payee is deceased, the name is changed to the remaining household or caregiver. Dorinne Jordan, Second District, asked if this item has gone to cluster. Robert Campbell, Auditor-Controller (A-C), confirmed that it was discussed at the cluster on August 12, 2015.

On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

9. Department of Children and Family Services - Public Transit Passes and Tokens Review (5/8/15)(Continued from the meetings of 5/21/15, 6/18/15, 7/16/15 and 8/20/15). (15-2289)

Rogelio Tapia, Department of Children and Family Services (DCFS), reported that they attended the Children's Cluster on August 19, 2015 as directed by the Audit Committee. DCFS met with the Metropolitan Transportation Authority (MTA) on August 27, 2015 and reported that starting September 2015, MTA will reimburse DCFS for unused monthly passes. Mr. Tapia reported that MTA is in the process of switching from monthly passes to 30 day passes that will be activated by initial tap and expires 30 days after activation.

Mr. Tapia stated that DCFS has already submitted unused passes for reimbursement. Additionally, DCFS will need to gather information in preparation for MTA's change. DCFS will need to strengthen inner controls; involve regional administrations; and going office to office to stress the importance of maintaining the cards. DCFS is also working with Internal Control System on the A-C findings.

In response to questions posed by Dorinne Jordan, Second District, Mr. Tapia explained that if the court order passes are not used in one given month under the 30 day pass, social workers will not have to issue a pass for the following month. DCFS have policies and procedures in

place; however, it will need to be implemented.

Arlene Barrera, A-C, advised Mr. Tapia to request a report from MTA to identify passes issued, but not tapped. Ms. Barrera added that the 30 day passes will benefit the child as it can be used more timely in the event the passes are ordered from the social worker in the middle of the month. Ms. Barrera suggested that the social worker return the document signed by the client once cards are delivered as proof of receipt by the intended client.

Discussion on untappable lines ensued and it was recommended that Mr. Tapia look into other transportation methods.

After discussion, on motion of Dorinne Jordan, seconded by Allen Gomez, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

10. Living Advantage, Inc. - A Community and Senior Services' Los Angeles County Youth Jobs Program Contract Service Provider - Contract Compliance Review - Fiscal Years 2013-14 and 2014-15 (5/15/15)(Continued from the meeting of 6/18/15). (15-2529)

Paul Goldman, Community and Senior Services (CSS), reported that the agency is in the process of implementing the recommendations, all charges have been validated and a letter requesting payment for outstanding fees will be sent out soon. In addition, Mr. Goldman indicated that as a result of the investigation new contracts with the agency have been halted as of October 2014.

In response to questions posed by Dorinne Jordan, Second District, Mr. Goldman confirmed that CSS stopped paying new invoices in October 2014.

In response to questions posed by Kieu-Anh King, Third District, Mr. Goldman indicated that if the agency obtains favorable status it can be eligible to receive new funding through various departments such as the Department of Public Social Services etc.; however, it is dependent on the agency's status.

In response to questions posed by Ms. Jordan, Mr. Goldman explained that the recommendation for placing the agency in the Contractor Alert Reporting Database (CARD) is unique, the agency is mostly federally funded and federal resolution guidelines must first be considered and

completed prior to CARD procedures. Mr. Goldman confirmed that a resume for the agency's proposed Financial Officer candidate has been obtained; however, determination of final appointment is dependent on the agency obtaining County funds.

In response to questions posed by Mr. King, Mr. Goldman confirmed that CARD procedures are mostly used for County funded contracts.

On motion of Kieu-Anh King, seconded by Dorinne Jordan, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

11. Probation Department - Contracting Review (5/29/15)(Continued from the meeting of 6/18/15). (15-2597)

Kieu-Anh King, Third District, questioned Probation's evaluation scoring method for contracting procedures and requested clarification from the Auditor-Controller and Probation Department. Robert Smythe, A-C, indicated that the A-C recommends that the scoring method be more specific and include two to three scoring categories. Tasha Howard, Probation Department, described the current scoring process and explained that subcategories for the approach component of the process is being explored.

Mr. King questioned Probation's need to improve their reference check process and requested clarification on the resolution. Ms. Howard indicated that revisions to the reference check process will be made. Kim Renner, Probation Department, added that staff recently attended a training pertaining to this subject.

Mr. King questioned the evaluators' documentation process and requested clarification. Ms. Howard described the current documentation process and indicated that revisions to documentation procedures will be made; evaluators will now need to use ink on evaluation forms, initial and provide a justification on changes.

On motion of Kieu-Anh King, seconded by Allen Gomez, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

12. Phoenix Houses of Los Angeles, Inc. - A Department of Mental Health and Department of Children and Family Services Provider - Fiscal Compliance Review (6/12/15)(Continued from the meetings of 7/16/15 and 8/20/15). (15-2887)

On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was continued to the next meeting.

Attachments: [SUPPORTING DOCUMENT](#)

13. Department of Children and Family Services - Overtime Review (7/2/15)(Continued from the meeting of 8/20/15). (15-3298)

On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was continued to the next meeting.

Attachments: [SUPPORTING DOCUMENT](#)

14. Martin Luther King, Jr. - Los Angeles Healthcare Corporation Lease Agreement Funding Review (7/6/15). (15-3309)

On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

15. Oldtimers Foundation - A Community and Senior Services Area Agency on Aging Program Service Provider - Contract Compliance Review (7/14/15)(Continued from the meeting of 8/20/15). (15-3426)

On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

16. Department of Health Services Harbor-UCLA Medical Center Tri-Partite Agreement Review (8/14/15)(Continued from the meeting of 8/20/15). (15-3927)

On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

IV. REPORTS

17. Mental Health Diversion Programs Review Stage 1 - Pre-Arrest Law Enforcement Diversion (8/14/15). (15-4111)

Arlene Barrera, A-C, provided an overview on the mental health diversion program and indicated that there are no statistics on when Sheriff's interaction with individuals during the pre arrest phase, no indication on what types of services were provided, and if an individual were to go to Urgent Care Center, there is no follow up. A-C is working with DMH to determine the average and identify the duration treatment needed. Ms. Barrera added that there is a human benefit to providing treatment to individuals, however it is very costly.

Allen Gomez, Fifth District, asked if there are anyways to reduce overtime affiliated costs. Ms. Berrara stated that their desire is to train everyone, but may need to scale back; she will research the Bill and report back.

On motion of Dorinne Jordan, seconded by Allen Gomez, this item was continued to the next meeting.

Attachments: [SUPPORTING DOCUMENT](#)

18. Review of the County Treasurer's Statements of Net Position for the Quarter Ended March 31, 2015 (8/25/15). (15-4113)

On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

19. Childnet Youth and Family Services - A Department of Mental Health Service Provider - Program Review (8/28/15). (15-4176)

On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

20. Sheriff's Department - Review of Transactions between Los Angeles County and Palantir Technologies, Inc. (Board Agenda Item 7, April 14, 2015)(8/28/15). (15-4177)

On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was continued to the next meeting.

Attachments: [SUPPORTING DOCUMENT](#)

21. Treasurer's April 20, 2015 Cash Count (9/2/15). (15-4214)

On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

22. District Attorney's Assets Forfeiture Fund (9/3/15). (15-4270)

On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

23. Voyager Fuel Credit Cards Automated Controls Review (Board Agenda Item 7, August 4, 2015)(9/8/15). (15-4277)

Arlene Barrera, A-C, provided a brief overview regarding the current processing of Voyager Cards, and reported that each department has the ability to contact U.S. Bank directly for credit cards and are then forwarded to each department's Card Administrator for distribution. Ms. Barrera expressed concerns on security and control of the cards and recommended that there should be transaction limits set on each card and one central Administrator. A-C continues to work with ISD to update the policy.

On motion of James Blunt, seconded by Allen Gomez, this item was continued to the next meeting.

Attachments: [SUPPORTING DOCUMENT](#)

24. Santa Anita Family Service, Inc. - A Community and Senior Services' Workforce Investment Act Program Service Provider - Contract Compliance Review - Fiscal Year 2014-15 (9/9/15). (15-4357)

Paul Goldman, CSS, provided some background information regarding the numerous efforts made to work with this agency; it has been suggested that all reports should be verified with appropriate documentation and accurate record keeping. Mr. Goldman, reported that the common discrepancy among all contracts continues to be the cost allocation; costs are based on estimates not actual evidence. The agency cannot be placed on CARD until after the resolution process.

Kieu-Anh King, Third District, questioned the open contracts for this agency and whether there is any evidence that this agency is not doing their job. Mr. Goldman, explained that the recently submitted amended cost allocation report is being reviewed by the A-C and CSS. Mr. Goldman also reported that cost allocation methodology will have to be submitted with all proposals by future agencies.

In response to Mr. King's question regarding this agency's financial responsibilities and assets, Mr. Goldman explained that the agency has made fee payments for "non sufficient funds"; however, all vendors were paid. This agency has the potential to be a viable contractor.

On motion of Kieu-Anh King, seconded by Allen Gomez, this item was received and file with the request for an update to be provided in November 2015.

Attachments: [SUPPORTING DOCUMENT](#)

25. Contractor Alert Reporting Database Status Report - September 2015 (9/10/15). (15-4362)

On motion of Kieu-Anh King, seconded by Dorinne Jordan, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

V. DISCUSSIONS

26. Discuss and take appropriate action on the Committee's role in regards to informing the Board of high profile audits (Continued from the meetings of 4/16/15, 5/21/15, 6/18/15, 7/16/15 and 8/20/15). (15-1623)

On motion of Kieu-Anh King, seconded by Allen Gomez, this item was filed and received without discussion.

27. Status update of the collaboration between the Chief Executive Office and Auditor-Controller on the new workers' compensation claims system, as requested by the Audit Committee at the meeting of October 15, 2014. (14-4964)

Steve Robles, CEO, provided an update on the collaboration between CEO and A C on the new workers' compensation claims system. Mr. Robles reported that the system's improvement is in the first stage of the implementation process. CEO is working on improving how the data base deals with miscellaneous payments that are in the system, deactivating vendors and activating vendors that should be on the

system to ensure proper tracking and control. Mr. Robles stated that problematic transactions on a regular basis are declining. However, CEO has not implemented the new system yet because they are taking time to clean up the data base, payment transactions and security issues that they had.

Mr. Robles reported that one key action is the ability to match vendors that have different tax identification numbers that are in the same zip code. Secondly, CEO will tackle the largest vendor to try to get them on Electronic Funds Transfer (EFT). These vendors are not contracted with the County. By putting them on EFT, this would help further resolve miscellaneous transactions.

Mr. Robles and Robert Campbell, A-C, commended staff in the collaboration of the workers' compensation claims system.

28. DCFS/CSSD Trust Fund Update (Continued from the meeting of 4/16/15). (15-1122)

Rogelio Tapia, DCFS, provided background information regarding the child support cases that are under extensive case review in order to determine the allocations of funds held in the DCFS Child Support Trust Fund .

James Crum, Child Support Services Department (CSSD), provided a brief update regarding the monies for old closed cases sent to the State; the allocation process for these payments has been resolved. Mr. Crum explained that the Local Child Support Agencies (LCSA) tracks children that move from county to county and that the research regarding issues on appropriation of funds and terminations of parental rights are ongoing, as well as interfacing with DCFS, timely notifications, and automated programmatic issues enabling reallocations.

29. AB109 Expenditure Reviews (Continued from the meeting of 8/20/15). (15-3626)

By Common Consent, there being no objection, this item was continued without discussion to the next meeting.

30. Pending Audit/Monitoring Reports. (15-4263)

No update was provided.

VI. MISCELLANEOUS

31. Matters not on the posted agenda (to be Presented and Placed on the Agenda of a Future Meeting). (15-4264)

There were no matters presented.

32. Public Comment. (15-4267)

No members of the public addressed the Committee.

33. Adjournment. (15-4268)

There being no further business to discuss, the meeting was adjourned at 12:30 p.m.